

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on

CARMEL APARTMENTS
1743 Nana Street
Wailuku, Maui, Hawaii

REGISTRATION NO. 1078

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: February 22, 1979

Expires: March 22, 1980

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED January 18, 1979, AND INFORMATION SUBSEQUENTLY FILED as of February 15, 1979. THE DEVELOPER, NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAWS, HAWAII REVISED STATUTES, CHAPTER 514A.

1. CARMEL APARTMENTS is a proposed fee simple condominium project containing 8 apartments located in one two-story building, consisting of 4 one-bedroom and 4 two-bedroom types. There will be a total of 10 parking stalls; 8 apartments will have one parking stall appurtenant to the apartment as a limited common element. Two parking stalls will be common elements exclusively for use specified by the Board of Directors.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and the issuance of this Preliminary Public Report.
3. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
4. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and a copy of the approved Floor Plans) have not been recorded in the office of the recording officer.
5. This Preliminary Public Report is made a part of the registration of CARMEL APARTMENTS condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt therefor from each such person.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes and the condominium rules and regulations which relate to horizontal property regimes.
7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, February 22, 1979, unless a Supplementary or Final Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: CARMEL APARTMENTS

LOCATION: The project is located at 1743 Nana Street, Wailuku, Maui, Hawaii, and consists of approximately 10,802 square feet of land.

TAX KEY: Second Division 3-8-37-31

ZONING: A-2, Apartment District

DEVELOPER: CARMEL, INC., a Hawaii corporation, is the developer of the project and has its principal place of business and postal address at 351 Lehua Street, Kahului, Maui, Hawaii 96732. The officers are MANSOUR MOVAFAGH, President; SOHRAB BAGHAI, Vice-President; and SHAHZAD MOVAFAGH, Secretary/Treasurer.

ATTORNEY REPRESENTING DEVELOPER: LAWRENCE N. C. ING, 2180 Main Street, Suite 419, Wailuku, Maui, Hawaii 96793; telephone: 244-7975.

DESCRIPTION OF PROJECT:

1. Building Description. The project will consist of one two (2) story building consisting of eight (8) residential apartment units, 10 paved parking stalls, situate upon the 10,802 sq. ft. of land hereinbefore described. Each unit shall consist of the space measured horizontally by the distances between the interior surfaces of the perimeter walls of each unit, and the space measured by the area of the lanai of each unit; and measured vertically by the distances between the topside surface of the concrete floor and the underside of the ceiling.
2. Materials. The principal materials of which the said buildings shall be constructed are as follows:
 - a. the ground floor slab be of poured reinforced concrete;
 - b. the floor above the ground floor shall be of wood with a reinforced concrete topping;
 - c. the structural system shall be of standard reinforced 8 inch concrete masonry units, wood platform framing with gypsum board and plaster on studs.
 - d. the interior partitions within each apartment shall be of wood studs with gypsum board and plaster;
 - e. the stairs shall be of reinforced concrete;
 - f. the roof shall be of wood, with heavy western cedar shakes covering;
 - g. the floors within each unit shall be covered with carpet or vinyl asbestos tile.
3. Limits of Apartment and Inclusions. Each apartment shall include all the walls and partitions within its perimeter walls; all glass windows or panels along the perimeters; the entirety of perimeter non-party walls except for the exterior decorated surfaces; the interior half of perimeter party walls; the inner decorated or finished surfaces of the floors and ceilings; the adjacent lanai to the exterior edge of the concrete floor slabs; the built-in fixtures including the range, refrigerator, garbage disposal, washer/dryer, water heater, sinks, bathroom fixtures, carpets and drapes; and all air space encompassed within the apartment; provided, however that the portion of each party wall and of each load bearing wall (whether or not a party walls) which is included in any apartment is a common element (except for the inner decorated surface of said wall within said apartment, which is not a common element) and that the exterior decorated surface of each perimeter non-party wall is a common element; and provided further that any ventilation duct shafts within an apartment as shown on said condominium map is a common element.

4. Numbering of Units. Each apartment, has been given a numerical designation by which its location in the building can be determined. The units are numbered 101, 102, 103, 104, 201, 202, 203 and 204. The first number shall designate the floor the unit is located.
5. Type of Apartments.
 - (a) Type "1" includes a living-dining room, kitchen, one bedroom, one bath and lanai. It includes a floor area of approximately 615 square feet (including 67 square feet of lanai).
 - (b) Type "2" includes a living-dining room, kitchen, two bedrooms, one and one-half bath and lanai. It includes a floor area of approximately 871 square feet (including 93 square feet of lanai).
6. Access. Each of the eight apartments will have immediate access or through a hall and stairway to a walkway and parking lot on the grounds of the project leading to the public streets.

COMMON ELEMENTS: The common elements include:

- a. The land.
- b. The foundations, floor slabs, columns, girders, beams, supports, bearing walls, roofs, corridors, stairways, fire escapes, entrances and exits of the buildings.
- c. The roof.
- d. The mailbox, refuse and collection enclosure.
- e. The driveways, loading areas, ramps and two unassigned parking stalls.
- f. The central and appurtenant installations for services such as power, light, gas, hot and cold water and like utilities.
- g. All of the parts of the project existing for the common use and are necessary to the existence, maintenance and safety of the project.

LIMITED COMMON ELEMENTS: The limited common elements are the parking stalls with the same numbering as the apartment units which are stalls set aside and reserved for the exclusive use of the particular apartments as shown on the Condominium Map.

INTEREST TO BE CONVEYED TO PURCHASERS: The percentage interest ownership in the common elements ("common interest") appertaining to each apartment for all purposes including voting is as follows:

<u>Type of Unit</u>	<u>Percentage (%)</u>
1	10.0
2	15.0

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that all apartments shall be occupied and used as living accommodations for permanent or transitory use and may be leased or rented from time to time for transient occupancy by the respective owners thereof, their tenants, families, domestic servants and social guests subject to such limitation as may be contained in the Declaration or in the By-Laws and House Rules which may be adopted from time to time governing the use of the apartments.

Note: The purchasers or prospective purchasers are advised to read with care the proposed House Rules and it provides in part: (1) No dogs, cats or other domestic pets are allowed in the premises; (2) No more than four persons are allowed in the one bedroom apartment, and no more than seven persons are allowed in the two bedroom apartment.

OWNERSHIP TO TITLE: The Preliminary Title Report by Title Guaranty of Hawaii, Inc., dated December 11, 1978, reflects that title is vested in CARMEL, INC., a Hawaii corporation.

ENCUMBRANCES AGAINST TITLE: The above Preliminary Title Report also reflects the following encumbrances:

1. Taxes - real property taxes for fiscal year 1977 - 1978, second installment now delinquent.
2. Reservation in favor of the State of Hawaii of all mineral and metallic rights.
3. A 15-foot building setback line along Pio Place and Nana Street, as shown on File Plan No. 709.
4. The restrictive covenants contained in that certain deed dated January 21, 1963, and recorded in Liber 4447 at Page 492.
5. Mortgage dated August 25, 1977, in favor of James H. Ouye and Isami Ouye, co-partners doing business as Service Contracting Co., recorded in Liber 12399 at Page 231.
6. That certain agreement dated October 6, 1978 and recorded in Liber 13201 at Page 82, made by and between the County of Maui, Department of Supply, as "County" and Carmel, Inc., as "Applicant".

Note: The foregoing agreement provides that until acceptance by the County of Maui and satisfactory operation of the Central Maui Water Transmission Source and Pipeline projects, no water meter of any size other than a temporary construction meter shall be issued for any lot in the project.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated November 3, 1978 identifies First Hawaiian Bank, a Hawaii corporation, as Escrow Agent. On examination, the specimen Deposit, Receipt and Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes.

The executed Escrow Agreement provides, in part, that purchaser shall be entitled to return of his funds without interest and less Escrow's cancellation fee of Twenty-Five Dollars (\$25.00) if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

- a. Escrow receives a written request from seller to return to purchaser the funds of such purchaser then held by Escrow; or
- b. If purchaser's funds were obtained prior to the issuance of a Final Public Report and if there is any change in the building plans, subsequent to the execution of purchaser's contract, requiring the approval of the city and county officer having jurisdiction over the issuance of permits for construction, unless the purchaser has given written approval or acceptance of the change; or
- c. If the purchaser's funds were obtained prior to the issuance of a Final Public Report and the Final Public Report differs in any material respect from the Preliminary Public Report unless the purchaser has given written approval or acceptance of the difference; or
- d. If the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report.

Among other provisions, the specimen Deposit, Receipt and Sales Contract states: (1) Purchaser agrees that all of the rights of the purchaser are and shall be subject and subordinate to the lien of any mortgage, supplemental and/or second mortgage, assignments, security agreement and financing statement securing the repayment of the interim loan made to finance the cost of construction and other costs and to any and all advances made thereon, and to any and all sums which may become a lien pursuant to the terms of such loan; and (2) In the event of increased building costs, seller may increase the purchase price in an amount not to exceed three percent (3%) of the purchase price and if such increase is insufficient to maintain financial feasibility of the project, then seller may at its option terminate the sales contract and cause Escrow to refund to buyer all monies paid, without interest and seller shall be released from all liability.

It is incumbent upon the prospective purchaser that he reads with care the Sales Contract and executed Escrow Agreement. The latter establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said trust funds.

MANAGEMENT AND OPERATIONS: The Declaration provides that the operation of the project shall be conducted for the Association of Apartment Owners by a managing agent appointed by the Association and contemplates retaining Mansour Movafagh, President of Carmel, Inc., the developer, as its initial managing agent.

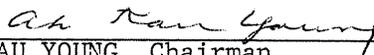
STATUS OF PROJECT: The developer has entered into a contract with Edaniel L. Moore, contractor, dated January 8, 1979 for construction of the project. Construction commenced on January 10, 1979. It is estimated that the project will be completed by September 1, 1979.

PROGRAM OF FINANCING: As of this date no financing program has been finalized by the developer.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted January 18, 1979, and subsequent information filed as of February 15, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of the REGISTRATION NO. 1078 filed with the Commission on January 18, 1979.

This report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be yellow.



AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Taxation
Bureau of Conveyances
Planning Department, County of Maui
Federal Housing Administration
Escrow Agent

Registration No. 1078

Date: February 22, 1979